

1 The deduction allowed for disabled dependents is treated as an additional personal exemption on the traditional individual income tax return. However, because this deduction is not allowed under the single rate individual income tax or for estates and trusts, this deduction will presumably be repealed as part of the legislation to repeal the traditional individual income tax.

2 The deduction for certain military pay allowed under the traditional individual income tax and for estates and trusts expired at the end of taxable year 2005 but is still in the code. The draft legislation repeals this obsolete language.

3 This tax credit only applies to resident estates or trusts.

4 This tax credit takes effect beginning with taxable year 2008.

5 This tax credit was enacted in the 2007 General Session. Unlike the other tax credits, this tax credit does not specify whether an estate or trust is eligible to claim the tax credit. However, the statute provides that the tax credit may be claimed by a "business entity," which is defined as any entity under which business is conducted or transacted. Under this definition, an estate or trust could arguably claim the tax credit. The Trust and Estate Working Group recommends that the tax credit should be amended to clarify that an estate or trust is eligible to claim it. The draft bill makes this clarification.